



Advisory Committee on Vocational Training

Opinion on an EU initiative on ILAs and
strengthening training provision in Europe

16 August 2021

The Council decision of 26 February 2004¹ sets out that the Advisory Committee on Vocational Training (ACVT) shall provide the Commission with opinions on the following matters:

- questions of general importance or of principle concerning vocational training;
- questions related to the preparation, implementation, evaluation and optimisation of activities carried out or planned by the Commission in the field of vocational training.

In this regard, the ACVT has prepared the following opinion in view of the Commission's planned initiative on individual learning accounts.

Introduction

The COVID-19 pandemic, digitalisation and decarbonisation are having an enormous impact on the European economy, industries, and the European workforce who are facing a very challenging adaptation to rapidly changing work. The pandemic has accelerated structural changes in many sectors, increasing the pace of the green and digital transformations. This is allied to the ongoing challenges of demographic change, new training needs and skills mismatches.

The success of a sustainable and resilient recovery after the COVID-19 crisis will depend on a number of factors. We highly appreciate in principle the European Commission's intention to increase the share of adults taking part in Continuing Vocational Education and Training (CVET) as European Commission's efforts seek to enhance the important role of vocational education and training (VET) as a contributor to human capital development and personal development, which in turn fosters productivity, innovation, excellence as well as democratic citizenship and promotes EU values. It is also important to raise the image and visibility of VET (both IVET and CVET) within effective skills strategies to be embedded in the social-economic policies of the Member States. In order to ensure that the workforce possesses the necessary skills and competencies, there is a commonly agreed need to identify actions that will help to support the up- and re-skilling of the workforce across Europe, including the modalities of accessing training of workers in all kinds of contractual relationships. The particular situation of non-standard workers and the self-employed needs to be addressed urgently and appropriately, respecting the key role of social partners in terms of employee training. Taking into account all the realities of the labour market, including mobility and transitions into and between jobs and between employment status, and having in mind the first principle of the European Pillar of Social Rights

¹ Council Decision 2004/223/EC of 26 February 2004 laying down the Rules of the Advisory Committee on Vocational Training.

(EPSR) on the right to training and lifelong learning, there is a need to tailor the conditions for access and entitlement to training to different situations and realities through an appropriate mix of arrangements.

The aim of this opinion is to provide input to a European Commission proposal that should be relevant for Member States and social partners across Europe, and that should demonstrate its added value, building on diverse existing instruments and funding schemes.

Reasoning

1. The European Pillar of Social Rights Action Plan sets a new target whereby at least 60%² of all adults should participate in training every year by 2030 in order to ensure the implementation of the EPSR which says that “Everyone has the right to quality and inclusive education, training and lifelong learning” (principle 1), “regardless of the type and duration of the employment relationship” (principle 5) and this includes “the right to transfer training entitlements during professional transitions” (principle 4). Member States and social partners in the Porto Summit welcomed the new EU headline targets on jobs, skills and poverty reduction, taking into account different national circumstances, and as part of the policy coordination framework, in the context of the European Semester and following already agreed decisions under the Strategic framework for European cooperation in education and training 2021-2030.
2. An **individual learning account** (ILA) is one of the approaches and financial tools that the European Commission is exploring. The revised Employment Guidelines adopted by the Council in October 2020 call on Member States to “ensure the transfer of training entitlements during professional career changes, including, where appropriate, through individual learning accounts”. It must be ensured that a possible future EU initiative observes and respects the division of competences and the principle of subsidiarity, respects the national specificities and legal frameworks of each Member State, and is compatible with the CVET systems of the Member States, of collective bargaining of the social partners, the regulation of

² According to latest Eurostat data, the proportion of persons aged 25 to 64 in the EU who participated in education or training within the last 4 weeks was 10.8% (2019), and 37.4% of people in the EU aged 25 to 64 took part in education and training (during the 12 months preceding the interview), the majority of which participating in non-formal education and training (2016).

working conditions and the formulation of CVET and holiday entitlements for employees.

3. Following agreed policies as set in paragraphs above, an initiative on individual learning accounts and on strengthening training provision across Europe should contribute to more engagement, motivation and participation of adults in education and training. The main challenge ahead is to improve the matching of skills and jobs and access to diversified quality training options through more relevant and better targeted training provision. The available resources should focus on this main challenge. Some Member States may also choose to use some public resources for the personal development of individuals (including personal interests, social skills, active citizenship). The initiative needs to address upskilling and reskilling needs of the workforce (workers/employees/self-employed). However, it may also include initiatives for other target groups, for example the unemployed and inactive individuals, retired people, NEETs.
4. An individual right to education and training, including adult learning and training, and paid educational leave for work-relevant training is ensured via national legislation and/or collective agreements in some Member States. Across Europe, social partners, social dialogue and collective bargaining play the key role in facilitating employees' effective access to training in different ways in each country. Exchange of good practices and mutual learning between Member States, with the involvement of the social partners, on how best to ensure access to training in order to achieve the target of adult learning participation of the EPSR could support Member States to improve their adult learning systems and skills strategies. In this, the effective involvement of national and sectoral social partners should be ensured. Diverse legal and/or collective bargaining frameworks reflect the choice of each Member State to adopt and implement its own policies and build on existing financing mechanisms. In this manner, an individual learning account can be one of the approaches and financial tools that EU Member States and social partners can consider. The decision to adopt or not the ILA as one of the mechanisms to finance training should remain fully within the competence of the Member States.
5. Individual learning accounts are one of several options for financing CVET and a careful assessment is needed of possible advantages and disadvantages, including

the cost-benefit relation, administrative burden and costs, achieved status change (higher formal qualification level), quality assurance, labour market relevant outcome, added value for career development and level of participation rate of the key target group of low qualified people.

6. ILAs should not replace existing employer or government funded and/or social partner driven provisions to training as well as others forms and modalities of training financing. Continuous dialogue between the workforce and their management at company level has an important role to facilitate the choice of training activities, as does collective bargaining at sectoral and/or cross-industry levels, including the widespread practice of training funds across Europe. More visibility and recognition should be given in EU skills policy debates to the training funds across Europe, which contribute to mobility and fair transitions. At the same time, sustainable and easily accessible financing of workers' training can ensure to increase training participation. In Europe, there are many tools used for this, for example, paid training leave (by law or through collective agreements), personal training accounts or training funds (cross-industry or sectoral), vouchers, etc. The success and inter-relation of the different tools depends on the country-specific institutional framework. However, an important precondition for the tools to succeed is that their existence and that of other training alternatives and their functioning is well communicated to all potential users.

7. The responsibility for continuous vocational education and training (CVET) and its financing is in most countries shared by private companies, individuals, social partners and governments. This balanced approach is the pillar of national CVET systems and needs to be kept. Many governments already have sound regulations and instruments governing CVET in place and are investing public funding into national CVET programmes. It is a national decision, following national needs and priorities, to choose the right adapted range of public financing mechanisms and – given the responsibility for heterogeneous target groups and respective diverse and tailored incentives and offers – to avoid “one size fits all” concepts. This is in particular true for low qualified adults, who need a wide range of measures and actions in CVET, including both financial and non-financial incentives (like guidance, motivation, individual coaching).

8. It is important to ensure investment and joint financing mechanisms for quality, effective and inclusive adult learning and training that support workers to appropriately utilise and further develop their skills relative to the job that they hold and to transition into and between jobs and to ensure the improvement of the working conditions of the employees. An improved skills matching based on labour markets needs will in turn enable enterprises to be more productive and competitive, thereby creating the conditions for them to create jobs. An important factor in enhancing employability and labour market mobility are also general competences, key competences, e.g. life skills. Those skills should be placed within initial education and further complemented through training provision, where necessary. The main skills policy challenge ahead is to encourage and succeed in nurturing this virtuous cycle.

9. It is important to better identify and strengthen the responsibilities of, and associated with, the direct and indirect costs of training provision between government, employers and workers, while ensuring that the needs and interests of enterprises and workers are addressed through further training and taking into account different national practices and industrial relations systems and the role of social partners therein. Governments and social partners should work hand in hand to improve education and training systems' performance.

10. Public authorities should work closely with employment services to implement upskilling and reskilling policies for unemployed and inactive people in order to equip them with the right competences and facilitate entering or re-entering the labour market. In order to increase access to training, it is also important that high quality, effective and inclusive guidance and counselling services are available to better identify the most appropriate training offer for all and each one, especially the low-skilled, migrants and refugees and socio-economically disadvantaged people, supported by PES and other actors. Consequently, there is a need for flexibility within different national settings when it comes to approaches to training provision, which takes into account the needs of enterprises and workers as well as the role that social partners jointly play in the governance of training systems.

11. Collective agreements on governing and financing employee training and different types of paid educational leave need to be respected as does the role of social

partners in the governance of training systems, in accordance with existing national practices.

12. The needs and choices for upskilling and reskilling of the workers of any employment status, in all sectors, and sizes of companies need to be taken into account in line with supporting the validation of their skills, providing them effective guidance and counselling, and supporting them to access and improve their qualifications. Employers have a responsibility for investing resources, with a particular role for collective bargaining. In parallel, governments have a key role to use available public resources, in particular, in the next years, as part of their Recovery and Resilience Plans. National governments have also an important role to improve skills training solutions for the inactive and the unemployed and create the necessary incentives for employers to invest in their employees' skills.

Conclusion

We agree with the European Commission that major changes to come, such as the green and digital revolution, successive professional transitions in one's professional life, socio-economic and demographic developments, among others, generate the need to constantly update skills and competences also on higher qualification levels in order to ensure employability.

In doing so we have to fully recognise national circumstances, the role of, and support needed by, enterprises and workers, social partners and other relevant stakeholders. A one-size-fits-all approach would not serve the purpose.